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**Over-Clean Trap and the Principle of Optimal
Complexity:
Tension and Balance Between State Governance and
Anti-Corruption**

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Over-Clean Trap and the Principle of Optimal Complexity: Tension and Balance Between State Governance and Anti-Corruption

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Abstract

This paper takes the classical Chinese proposition “When the water is too clear, no fish can survive” as its theoretical point of departure and introduces the concept of the *Over-Clean Trap* to analyze the structural tension and nonlinear relationship between anti-corruption and state governance. While anti-corruption contributes to strengthening institutional discipline, enhancing governance capacity, and fostering institutional trust, excessively high-pressure anti-corruption mechanisms may also generate adverse effects such as bureaucratic passivity, risk-averse behavior, and declining governance efficiency. Drawing on complexity theory, this paper further proposes the *Principle of Optimal Complexity*, arguing that institutional design should maintain a dynamic balance among normativity, flexibility, and organizational vitality. In addition, by incorporating the perspectives of *robust strategy* and *robust optimization*, the paper contends that the objective of anti-corruption institutions should not be the mechanical pursuit of “zero corruption,” but rather the construction of sustainable institutional structures capable of maintaining discipline, efficiency, trust, and governance resilience under conditions of uncertainty. From the perspective of policy engineering, this study provides a new theoretical framework for understanding both the long-term stability and institutional limitations of China’s anti-corruption system.

Keywords

Over-Clean Trap; Principle of Optimal Complexity; Anti-Corruption Governance; Policy Engineering; Robust Strategy; State Governance

1. Introduction

In modern states, anti-corruption has become an indispensable policy issue for securing institutional trust and improving governance capacity. Corruption distorts resource allocation and undermines public confidence in institutions, thereby impeding economic development and social stability. Consequently, corruption control has been regarded as a central component of governance (Rose-Ackerman & Palifka, 2016). Particularly in emerging economies, where administrative discretion and concentration of resources are significant, the control of corruption critically affects the success or failure of national development.

In recent years, China has implemented an intensive and centralized anti-corruption campaign, strengthening institutional discipline through the investigation and punishment of a large number of

cases (Manion, 2016; Yang et al., 2024). However, strengthening anti-corruption measures does not necessarily lead to a sustained improvement in governance efficiency. On the contrary, excessive control may generate adverse effects such as bureaucratic passivity and stagnation in decision-making processes (Wang, 2022; Wang & Yan, 2020).

This phenomenon is symbolically reflected in the classical Chinese proverb: “When the water is too clear, no fish can survive; when people are too scrutinizing, no followers remain” (水至清則無魚, 人至察則無徒). Excessive pursuit of purity may paradoxically undermine institutional vitality and flexibility. This study conceptualizes this phenomenon as the “Over-Clean Trap” (Japanese: 至清の罟; Chinese: 至清陷阱) and theoretically examines the structural tension and balance between anti-corruption and state governance. Furthermore, from the perspective of the “Principle of Optimal Complexity,” this paper explores the optimal institutional design of anti-corruption policies.

2. Governance Implications of “When the Water Is Too Clear, No Fish Can Survive”

“When the water is too clear, no fish can survive; when people are too scrutinizing, no followers remain.”

Originally, this classical saying warned against excessive moral rigidity and harsh attitudes that could ultimately weaken social vitality and cooperative relationships. In the context of contemporary anti-corruption policies, while corruption control and institutional discipline are indispensable to governance, excessively coercive and comprehensive enforcement systems may produce bureaucratic paralysis, avoidance of decision-making, and mutual distrust within organizations.

In other words, governance that exclusively pursues “absolute integrity” may reduce institutional flexibility and practical responsiveness, thereby impairing governance efficiency itself. Therefore, the construction of a sustainable anti-corruption regime requires not only the foundations of rule of law, transparency, and accountability, but also a balance between institutional discretion, organizational inclusiveness, and administrative effectiveness.

The phrase “When the water is too clear, no fish can survive” does not deny the value of integrity itself; rather, it warns against its extreme form. This proposition contains three important implications for governance.

First, institutions require a certain degree of flexibility. Society is a complex system composed of diverse actors, and excessively homogeneous and rigid institutions may exclude diversity and reduce adaptive capacity. Once institutions become overly rigid, their ability to respond to environmental changes deteriorates.

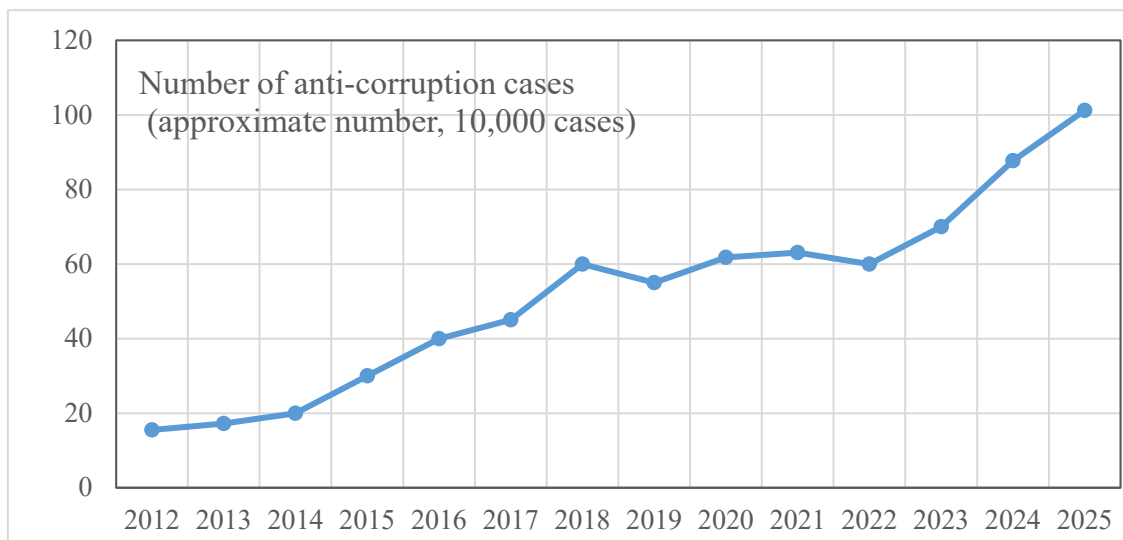
Second, human behavior is characterized by bounded rationality. Real-world policy actors are not perfectly rational and tend to avoid uncertainty and risk. Excessively strict institutions may therefore discourage creative behavior and induce passive responses.

Third, trust plays a crucial role. When institutions rely excessively on surveillance and punishment, short-term control may be strengthened, but long-term institutional trust may deteriorate. Declining trust reduces cooperative behavior and ultimately weakens governance efficiency (Fukuyama, 1995). Thus, the proverb suggests that the essence of governance lies not in extreme purity but in structural balance.

3. Empirical Characteristics of Anti-Corruption in China

Corruption in China has structurally emerged from the combination of state-led resource allocation and rapid economic growth, linking political power and economic interests. Administrative discretion remains particularly significant in sectors such as land development, state-owned enterprises, public infrastructure, and finance, making them prone to corruption. At the local government level, fiscal constraints and pressure to achieve growth targets have also encouraged collusion with businesses and opaque transactions.

As illustrated in the figure, anti-corruption efforts in China have developed into an institutionalized long-term policy since the 2010s. According to statistics released by the Central Commission for Discipline Inspection (CCDI) and the National Commission of Supervision, the number of cases filed nationwide increased from approximately 618,000 in 2020 to 877,000 in 2024, exceeding one million in 2025. Anti-corruption has thus entered a “normalized high-pressure phase” (Central Commission for Discipline Inspection and National Commission of Supervision, 2021, 2025, 2026).



Note: This figure was compiled by the author based on publicly available data released by the Central Commission for Discipline Inspection (CCDI) of the Communist Party of China and the National Commission of Supervision. The numbers of anti-corruption cases for each year are presented as approximate figures. Since statistical indicators

vary by year (e.g., number of cases filed, number of individuals disciplined), some values include estimates.

This anti-corruption policy has produced strong deterrent effects in the short term and contributed to strengthening governance capacity. However, its operation remains highly top-down, and challenges remain regarding institutional transparency and regularized external oversight. International comparisons also indicate that China's corruption perception remains at a middle level; in the 2024 Corruption Perceptions Index, China scored 43 points and ranked 76th among 182 countries (Transparency International, 2025).

These statistics demonstrate that anti-corruption in China is no longer a temporary campaign but has become institutionalized. At the same time, they also indicate that corruption itself has not been fundamentally eliminated. In other words, there is no simple proportional relationship between the intensity of anti-corruption measures and the reduction of corruption. This reveals the limitations of understanding anti-corruption through a linear framework of "more enforcement equals improvement." Another important feature is the expansion of anti-corruption into broader sectors, including local governments, state-owned enterprises, and the financial sector. While this reflects strengthened institutional governance, it also implies intensified monitoring of administrative activities as a whole, potentially transforming the nature of governance behavior itself.

4. The Dual Effects and Nonlinear Relationship of Anti-Corruption

Anti-corruption policies possess a dual structure: they generate positive effects such as deterrence and governance improvement while simultaneously producing adverse side effects. On the positive side, anti-corruption suppresses corruption, improves resource allocation efficiency, and enhances institutional trust. Particularly in highly corrupt environments, strengthening anti-corruption can significantly improve governance.

However, on the negative side, anti-corruption may lead to bureaucratic passivity, increased risk-averse behavior, and delays in policy implementation. In highly intensive anti-corruption environments, phenomena such as inaction, declining innovation, and risk avoidance should be understood not as isolated incidents but as systematic behavioral responses to institutional environments (Heffer, 2023; Wang, 2022; Wang & Yan, 2020).

When institutional risks become excessively high, actors tend to shift from a "performance-oriented" logic to a "risk-minimization" logic. As a consequence, administrative initiative declines, motivation for innovative policy experimentation weakens, and governance flexibility contracts. This behavioral mechanism constitutes the micro-foundation of the "Over-Clean Trap," illustrating how excessive anti-corruption intensity may negatively affect macro-level governance outcomes.

Therefore, the effects of anti-corruption are nonlinear rather than linear. Strengthening anti-corruption initially improves governance efficiency and suppresses corruption, but beyond a certain threshold, marginal utility declines and governance efficiency may deteriorate. This relationship can be understood as an inverted U-shaped curve.

Recent trends in China's anti-corruption practice also suggest that while anti-corruption has become normalized, its effects do not accumulate proportionally (Central Commission for Discipline Inspection and National Commission of Supervision, 2025, 2026). Even if institutions appear stronger on the surface, widespread risk-averse behavior and formalistic compliance among officials and business actors may reduce substantive governance capacity. Accordingly, the central issue is not the maximization of anti-corruption intensity, but the design of its optimal level.

5. The Principle of Optimal Complexity and Institutional Design

The traditional insight expressed in the proverb "When the water is too clear, no fish can survive" can be reconstructed through the lens of complexity theory as the "Principle of Optimal Complexity." This paper defines it as a condition in which institutions maintain an optimal balance between normativity and flexibility.

According to complexity theory, systems become dysfunctional when they are either excessively ordered or excessively disordered; the optimal condition exists somewhere between these extremes (Simon, 1962).

The Principle of Optimal Complexity consists primarily of three elements.

First is the coexistence of clear rules and flexible implementation. Institutions require clear rules, but it is impossible to regulate all situations in advance. Therefore, reasonable discretion at the operational level is indispensable.

Second is the balance between constraints and incentives. Excessive punishment suppresses action, whereas appropriate incentives encourage proactive behavior. Effective governance therefore requires a balance between disciplinary mechanisms that deter corruption and incentives that encourage responsible conduct.

Third is the integration of transparency and tolerance for failure. Transparency is essential for preventing corruption, but excessive zero-risk orientation can produce a chilling effect. Institutional design must therefore combine clear accountability mechanisms with reasonable tolerance for non-malicious failures and policy experimentation.

The same applies to anti-corruption systems. Excessive regulation leads to institutional rigidity, while excessive relaxation encourages corruption. The key issue is how to design a balance among transparency, discretion, and accountability.

From this perspective, Japan's anti-corruption system offers important insights. Although Japan does not possess a powerful centralized anti-corruption agency, corruption is controlled through

multilayered mechanisms such as criminal justice, political finance regulations, and media oversight (Pharr, 2000). Such a decentralized institutional arrangement may represent a model that avoids excessive control while maintaining institutional stability.

6. Institutional Public Goods and the Perspective of Policy Engineering

To reconsider the relationship between anti-corruption and state governance, it is useful to view anti-corruption as a supply mechanism for institutional public goods. Anti-corruption itself is not a pure public good, but the integrity and institutional trust generated by anti-corruption function as public values shared by society as a whole. These values reduce transaction costs and support institutional stability.

From this perspective, anti-corruption serves as a foundational mechanism supporting institutional public goods, while anti-corruption policies function as their supply apparatus. This interpretation reconstructs anti-corruption not merely as intensified enforcement, but as the sustainable provision of institutional trust.

At the same time, the relationship between anti-corruption and governance inherently involves trade-offs. While corruption control enhances institutional trust, it also increases monitoring costs and decision-making burdens. Therefore, the objective should not be “zero corruption,” but rather the establishment of a “sustainable level of corruption management.”

From the viewpoint of policy engineering, anti-corruption should be understood not merely as regulatory reinforcement, but as a problem of overall institutional design. The key challenge is to suppress corruption while simultaneously preserving governance vitality and flexibility.

To achieve this, first, governance should not rely on a single control mechanism but instead establish multilayered institutional structures. Second, differentiated regulations adapted to varying risk characteristics across sectors should be introduced. Third, governance based on trust should be strengthened in order to move away from excessive dependence on surveillance.

By positioning anti-corruption as a supply mechanism for institutional public goods, such institutional design can be understood more systematically.

7. Conclusion

This paper examined the structural tension between anti-corruption and state governance through the concept of the “Over-Clean Trap” and proposed the “Principle of Optimal Complexity” as a theoretical framework. Anti-corruption is indispensable to governance; however, its strengthening is not infinitely beneficial. Beyond a certain threshold, excessive anti-corruption may generate counterproductive effects.

Therefore, the ideal state of governance lies not in “absolute integrity,” but in a balance between norms and flexibility. What is required is not a sterile “purity without fish,” but rather a form of integrity that preserves institutional vitality.

The concept of the “Over-Clean Trap” is useful for understanding the nonlinear nature and institutional limits of anti-corruption policies. Intensifying anti-corruption does not always produce better outcomes; beyond a certain level, it may reduce governance efficiency. Accordingly, the key issue is not maximizing intensity, but designing institutions based on the Principle of Optimal Complexity.

Ultimately, sustainable governance requires a balance among norms (legal systems), flexibility, and trust (including moral and social trust). The goal is not a “perfectly clean system,” but a system in which vitality and discipline coexist. The concepts of the “Over-Clean Trap” and the “Principle of Optimal Complexity” proposed in this paper provide a new analytical perspective for understanding the nonlinear dynamics and institutional limitations of anti-corruption policies.

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